

### Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	450.61	0.20	0.00	450.81	0.20	0.00	450.81	450.81
Personal Services	17,507,187	634,734	0	18,141,921	624,193	0	18,131,380	36,273,301
Operating Expenses	5,580,843	365,471	0	5,946,314	436,856	0	6,017,699	11,964,013
Equipment	59,368	0	0	59,368	0	0	59,368	118,736
Grants	14,243,871	1,444,830	300,000	15,988,701	1,687,642	300,000	16,231,513	32,220,214
Benefits & Claims	141,358,984	31,365,410	9,294,343	182,018,737	43,135,151	5,441,650	189,935,785	371,954,522
Transfers	0	0	0	0	0	0	0	0
Debt Service	552	0	0	552	0	0	552	1,104
<b>Total Costs</b>	<b>\$178,750,805</b>	<b>\$33,810,445</b>	<b>\$9,594,343</b>	<b>\$222,155,593</b>	<b>\$45,883,842</b>	<b>\$5,741,650</b>	<b>\$230,376,297</b>	<b>\$452,531,890</b>
General Fund	22,929,286	382,863	3,551,742	26,863,891	442,666	1,150,383	24,522,335	51,386,226
State/Other Special	159,542	100,000	732,601	992,143	100,000	731,267	990,809	1,982,952
Federal Special	155,661,977	33,327,582	5,310,000	194,299,559	45,341,176	3,860,000	204,863,153	399,162,712
<b>Total Funds</b>	<b>\$178,750,805</b>	<b>\$33,810,445</b>	<b>\$9,594,343</b>	<b>\$222,155,593</b>	<b>\$45,883,842</b>	<b>\$5,741,650</b>	<b>\$230,376,297</b>	<b>\$452,531,890</b>

### Page Reference

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### Funding

The Human and Community Services Division (HCSD) is supported primarily by federal funds. Federal funds comprise 89 percent of the division's funding. General fund provides almost 11 percent of the division's funding, while state special revenues account for less than half of one percent of the division's funding. The general fund supporting this division is utilized to:

- Achieve Temporary Assistance for Needy Families (TANF) maintenance of effort (MOE) spending requirements
- Achieve child care block grant MOE spending requirements
- Match federal programs such as Medicaid and food stamp eligibility determination, and child care benefits

Food stamp benefit funding, which is federal funding that passes through the state, comprises almost 48 percent of the division's total funding. Funding from the TANF grant for benefit costs comprises about 13 percent of the funds for the division. Other than general fund, no other funding source comprises more than 10 percent of the division's funding.

### Program Narrative

The primary programs administered by the division include child care, Temporary Assistance for Needy Families (TANF), low-income energy assistance, and food stamps. Each of these programs is discussed briefly in the following narrative.

#### *Child care*

The division administers child care programs, the majority of which are funded by the Child Care Development Fund (CCDF) block grant. Federal child care programs were revised and changed at the time welfare reform was passed by Congress. Among the TANF requirements is that states provide child care assistance to TANF families when the family is engaged in activities designed to assist the family in becoming self-sufficient. In addition to providing services to TANF families, child care programs also provide subsidies for low-income working families, and support licensing and registration of child care providers and activities related to assuring quality child care. Under child care block grant regulations, states are required to expend a minimum of 4 percent of the funding on child care quality activities.

The funding for child care approved by the legislature is equivalent in total funds to the funding level requested in the executive budget. However, the legislature increased general fund support for child care in FY 2006 by \$2.4 million and offset this increase by a reduction in federal TANF funds transferred to child care. Additionally, the legislature directed that the TANF funds available due to this action (\$2.4 million) be used to increase the TANF cash assistance benefit level. Child care funding is summarized in Figure 8.

Figure 8 Agency-wide Summary of Child Care Funding by Funding Stream Fiscal 2001 Through 2007							
Description	Actual SFY 2001	Actual SFY 2002	Actual SFY 2003	Actual SFY 2004	Estimated* SFY 2005	Legislative SFY2006	Legislative SFY 2007
<b>General Fund:</b>							
Maintenance of Effort	\$1,313,990	\$1,313,990	\$1,313,990	\$1,313,990	\$1,313,990	\$1,313,990	\$1,313,990
Matching	1,557,335	1,531,499	1,634,445	1,645,427	541,540	1,927,075	1,981,932
Discretionary	0	0	0	0	0	2,400,000	0
Other (non HCSD)	119,128	112,662	75,962	93,143	93,143	93,143	93,143
Total General Fund	<u>2,990,453</u>	<u>2,958,151</u>	<u>3,024,397</u>	<u>3,052,560</u>	<u>1,948,673</u>	<u>5,734,208</u>	<u>3,389,065</u>
Annual Percent Change		-1.1%	2.2%	0.9%	-36.2%	194.3%	-40.9%
<b>Non General Fund Match:</b>							
State Spec. Revenue (PSF)			0	557,000	1,443,000	732,601	731,267
Other			13,099	11,250			
<b>Federal Funds:</b>							
Title XX, Social Services Blk Grant	46,000	46,000	46,000	46,000	46,000	46,000	46,000
CCDF Administrative (non HCSD)	125,923	151,442	160,935	573,550	573,550	573,550	573,550
CCDF Administrative (HCSD)	940,633	909,754	923,674	558,450	678,899	554,270	554,009
CCDF Mandatory	1,681,290	1,895,012	1,868,692	2,086,199	2,086,400	2,086,199	2,086,199
CCDF Match	3,763,051	3,657,824	4,242,370	5,241,053	4,350,989	4,162,804	4,162,804
CCDF Discretionary (non HCSD)	427,045	560,296	562,588	567,068	568,000	583,673	583,673
CCDF Discretionary	<u>12,968,755</u>	<u>17,715,968</u>	<u>13,219,262</u>	<u>8,826,112</u>	<u>15,613,823</u>	<u>13,227,389</u>	<u>15,627,276</u>
Total Federal Funds	<u>19,952,697</u>	<u>24,936,296</u>	<u>21,023,521</u>	<u>17,898,432</u>	<u>23,917,661</u>	<u>21,233,885</u>	<u>23,633,511</u>
Total Expenditures	<u>\$22,943,150</u>	<u>\$27,894,447</u>	<u>\$24,061,017</u>	<u>\$21,519,242</u>	<u>\$27,309,334</u>	<u>\$27,700,694</u>	<u>\$27,753,843</u>
Percent Change		21.6%	-13.7%	-10.6%	26.9%	1.4%	0.2%
Compound Rate of Change		21.6%	2.4%	-2.1%	4.5%	3.8%	3.2%
<b>Calculation of State Funds Needed for Match</b>							
State General Fund and Special Revenue Available to be Matched					\$2,077,683	\$5,152,819	\$2,806,342
Federal Matching Funds Available					4,350,989	4,162,804	4,162,804
Total Matching Stream					6,148,939	5,882,990	5,939,227
State Match as Percent of Total Per Executive Budget					33.79%	87.59%	47.25%
State Match Required (percentage)					29.24%	29.24%	29.91%
Funds Required to Fully Match Available Federal Matching Funds					\$1,797,950	\$1,720,186	\$1,776,423
State Match Funding (Over)/Under Federal Requirements					(\$279,733)	(\$3,432,633)	(\$1,029,919)
<b>*Notes:</b>							
In most instances the FY 2005 is estimated at the FY 2005 appropriation level as adjusted through appropriation transactions.							

### *Temporary Assistance for Needy Families (TANF)*

One of the largest programs administered by the division is the TANF program. The TANF block grant program was created in 1996 by federal legislation commonly known as “welfare reform”. Under welfare reform legislation, TANF replaced the program formerly known as Aid to Families with Dependent Children (AFDC).

Figure 9 summarizes the TANF grant and grant expenditures for FY 2004 through 2007. The federal grant award varies somewhat from year to year depending upon whether or not the state is awarded a performance bonus, any new tribal TANF plans are implemented, or any previous Tribal TANF plans are adjusted. TANF funds are used to support a number of programs and spending initiatives that are consistent with federal guidelines on the use of these funds. However, the largest expenditure of TANF funds supports cash assistance payments to eligible families. Expenditures for

cash assistance have ranged from \$20 million in FY 2004 to \$32 million in FY 2003, consuming more than 50 percent of the annual grant award. During FY 2004 total cash assistance costs were \$22.6 million, with about \$2.3 million being funded from the general fund rather than federal funds. The budget adopted by the legislature provides federal funds of \$28.0 million in FY 2006 and \$26.3 million in FY 2007 for cash assistance benefits.

**Figure 9**  
**Summary of Temporary Assistance for Needy Families (TANF) Grant**  
**Fiscal 2004 Through 2009**

Description	Actual SFY 2004	Dept. Est. SFY 2005	Legislative SFY2006	Legislative SFY 2007
Beginning Balance	\$7,037,060	\$19,688,676	\$23,563,483	\$16,638,016
Grant Award	48,020,033	41,805,364	42,228,001	42,228,001
Expenditures:				
Cash Assistance*	20,290,788	21,721,072	27,929,804	26,223,248
FAIM Phase IIR				
New Spending Proposals:				
TANF Higher Work Participation		1,176,336	1,725,000	1,725,000
Adult Basic Education		-	125,000	125,000
Accelerated Employment Services		581,451	-	-
Abstinence Education		40,000	-	-
Ongoing Expenditures				
Food Banks		100,000	100,000	100,000
Administrative and Other Costs	6,765,172	6,056,780	5,673,851	5,674,448
Foster Care	4,314,231	4,017,119	4,314,231	4,314,231
Total Expenditures	<u>\$31,370,191</u>	<u>\$33,692,758</u>	<u>\$39,867,886</u>	<u>\$38,161,927</u>
Transfers:				
Title XX, Soc Svc. Block Grant	\$1,998,226	\$1,998,226	\$1,998,226	\$1,998,226
Childcare Discretionary Fund	<u>2,000,000</u>	<u>2,239,573</u>	<u>7,287,356</u>	<u>9,606,006</u>
Total Transfers	<u>3,998,226</u>	<u>4,237,799</u>	<u>9,285,582</u>	<u>11,604,232</u>
Ending Balance	<u>\$19,688,676</u>	<u>\$23,563,483</u>	<u>\$16,638,016</u>	<u>\$9,099,858</u>
Maximum Transfer:				
30% combined Title XX & CCDF	\$14,406,010	\$12,541,609	\$12,668,400	\$12,668,400
*Notes:				
Cash assistance costs reported here may not be total cash assistance costs since general fund may also be used to pay a portion of these costs.				
Data sources include MBARS, SBAHRS link system and DPHHS worksheets				

Since the implementation by the department of the reduction in the cash assistance benefit level, this change and its impact on families receiving assistance have been the subject of many discussions. Actions were taken by the legislature to express its priority for increasing the cash assistance benefit level rather than funding some initiatives proposed in the executive budget. The legislature approved the executive request to increase federal TANF funds supporting cash assistance costs, and so that the benefit level may be increased, the legislature further increased funding for cash assistance by:

- Providing an additional \$2.4 million general fund support for child care in FY 2006 and decreasing the amount of TANF funds transferred to child care by a like amount
- Directing that federal TANF funds (and state maintenance of effort funds) totaling \$2.4 million per year not be expended to support abstinence education, achievement or incentive awards, accelerated employment services or diversionary projects, or after school programs, and that federal TANF funds made available due to this action be used to increase the TANF cash assistance benefit level.

In summary, legislative action increased funding for cash assistance benefits by \$4.8 million in FY 2006 and \$2.5 million in FY 2007 above the executive budget.

The legislature reduced funding for “Higher TANF Work Participation Rates” in decision package 144 from \$3.7 million for the biennium to \$3.5 million for the biennium and specified that the difference (\$250,000 for the biennium) be used for adult basic education services with priority for funding given to the geographic areas that have the highest percentage of their population enrolled in the TANF program.

### Tribal TANF Plans

Under federal regulations, any federally recognized tribe that wishes to operate its own Tribal TANF plan, may seek and receive federal approval to do so. In the event that a tribe or tribes opts to operate a Tribal TANF plan, the state’s federal TANF grant and required MOE level are reduced by the proportional amount equal to the grant awarded to the tribe or tribes.

Prior to the 2005 biennium, Montana’s federal TANF grant and state MOE requirement were reduced when the Confederated Salish and Kootenai Tribes and Fort Belknap Indian Community obtained federal approval to operate Tribal TANF plans. During the 2005 biennium, Montana’s federal TANF grant and MOE level were once again adjusted downward due to implementation of a Tribal TANF plan by the Chippewa Cree Tribe of the Rocky Boys and because calculation of the funds associated with the two Tribal TANF plans implemented prior to the 2005 biennium were revised. Additionally, the Blackfeet Tribe is in the process of developing and applying for a tribal TANF plan.

The legislature approved the executive request that general fund support for TANF MOE not be reduced and that this funding as well as an increase in general fund support of \$102,062 for the biennium be used to provide funding as required by 53-4-210, MCA to tribes implementing Tribal TANF plans.

### *Food Stamp Benefits*

The legislature approved the executive request for increased Food Stamp benefit costs. Food Stamp benefit costs are entirely federally funded and it is estimated that annual food stamp benefit costs will approach \$100 million in FY 2006 and exceed \$110 million beginning in FY 2007. The growth in Food Stamp benefit costs has been quite dramatic since FY 2002, rising from \$56 million per year to over \$110 million per year in just 5 years. In FY 2002 electronic benefit transfer (EBT) of these benefits was implemented and food stamps became a budgeted expenditure. Previous to FY 2002 food stamp benefits were issued using a coupon and, because the funds did not flow through the state treasury, they were not a budgeted item.

### *Low-income Energy Assistance*

The legislature provided \$1 million general fund for the biennium as a one-time-only appropriation to increase low-income energy assistance, and specified that this funding may be used to support the state low-income energy assistance program, the state weatherization program, and tribal energy assistance programs. The legislature also provided \$0.6 million general fund for the biennium to support energy ombudsman services or case management-type staff at Human Resource Development Councils to assist low-income individuals seeking emergency energy assistance.

### **Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				1,672,725						1,666,167
Vacancy Savings				(767,180)						(766,898)
Inflation/Deflation				(14,710)						(14,499)
Fixed Costs				13,510						13,546
Total Statewide Present Law Adjustments				\$904,345						\$898,316
DP 41 - Child Care Match Reduction	0.00	(19,063)	0	(1,078,249)	(1,097,312)	0.00	37,153	0	(1,078,249)	(1,041,096)
DP 54 - Offices of Public Assistance Rent Increase	0.00	64,390	0	64,389	128,779	0.00	74,958	0	74,959	149,917
DP 100 - Energy Assistance Increases	0.00	0	100,000	1,094,671	1,194,671	0.00	0	100,000	1,144,671	1,244,671
DP 119 - Food Stamp Benefit Increases	0.00	0	0	21,757,693	21,757,693	0.00	0	0	32,777,752	32,777,752
DP 120 - Child Care Discretionary Fund Increases	0.20	0	0	6,906,315	6,906,315	0.20	0	0	6,906,315	6,906,315
DP 125 - TANF Benefits Assistance Increase	0.00	0	0	3,339,016	3,339,016	0.00	0	0	4,032,460	4,032,460
DP 127 - Child and Adult Care Food Program Increase	0.00	0	0	954,830	954,830	0.00	0	0	1,197,642	1,197,642
DP 9999 - Statewide FTE Reduction	0.00	(138,946)	0	(138,946)	(277,892)	0.00	(141,067)	0	(141,068)	(282,135)
Total Other Present Law Adjustments										
	0.20	(\$93,619)	\$100,000	\$32,899,719	\$32,906,100	0.20	(\$28,956)	\$100,000	\$44,914,482	\$44,985,526
Grand Total All Present Law Adjustments				\$33,810,445						\$45,883,842

DP 41 - Child Care Match Reduction - The legislature approved a \$18,090 general fund increase and a \$2 million reduction in funding to adjust child care matching funds for changes in the federal medical assistance participation rate (FMAP) and the level of federal funding that is anticipated for the 2007 biennium. The federal match fund is one funding stream within the child care development fund (CCDF). In order for a state to draw federal match dollars, it must expend state or local matching funds at the FMAP rate and it must also meet the federal child care block grant maintenance of effort requirements. The executive anticipates that less federal matching funds will be available in the 2007 biennium than is included in the base budget, because carryover funds that existed and were expended in FY 2004 will not exist in the 2007 biennium. Additionally, an increase in general fund is requested because the FMAP rate for the 2007 biennium decreases, requiring a larger state match.

DP 54 - Offices of Public Assistance Rent Increase - The legislature provided \$139,348 general fund and \$278,696 total funds for increased rental costs for local Offices of Public Assistance (OPA). The largest increase in rent will occur in Glacier County (\$61,002 in the first year and \$62,220 in the second year) due to the relocation of the office to a new building.

DP 100 - Energy Assistance Increases - The legislature approved \$2,439,342 in state special revenue and federal funds for the biennium for anticipated increases in seven federal grants and the universal low-income energy assistance state special revenue providing housing, weatherization, and energy and commodity assistance. Anticipated grant increases range from about \$7,000 to \$285,000 per year and vary among grants.

DP 119 - Food Stamp Benefit Increases - The legislature provided \$54 million federal funds for the biennium to fund increases in food stamp benefits. The department anticipates that annual food stamp benefit expenditures will exceed \$110 million during FY 2007. Food stamp benefits increase due to caseload growth and poverty level adjustments (expanded eligibility). Contributing factors to the increase in food stamp benefits include changes made by the 2002 farm bill (expanded eligibility for aliens, less frequent (six-month) reporting and federal funding for outreach activities) and a decrease in the monthly TANF cash assistance grant to families.

**DP 120 - Child Care Discretionary Fund Increases** - The legislature approved \$13.8 million federal funds to increase child care discretionary fund spending. The legislature also approved a decision package providing \$2.4 million general fund for FY 2006 with an offsetting reduction in the TANF transfer to child care and provided that the \$2.4 million of TANF funds be used to increase the TANF cash assistance benefit level. This action maintains total funding for child care at \$25.6 million per year. A substantial amount of the funding needed to sustain childcare at this level is transferred from the TANF block grant to child care.

**DP 125 - TANF Benefits Assistance Increase** - The legislature provided \$7.4 million federal funds for the biennium to support projected increases in the TANF cash assistance caseload.

**DP 127 - Child and Adult Care Food Program Increase** - The legislature provided \$2.2 million federal funds to support an anticipated 2.3 percent increase in program reimbursement rates established by the USDA and number of meals reimbursed. The funding requested would allow for an estimated increase of 215,000 meals in FY 2006 and 270,000 meals in FY 2007.

**DP 9999 - Statewide FTE Reduction** - The legislature reduced personal services funding, but did not reduce FTE authorized by the Office of Budget and Program Planning, equivalent to the across-the-board personal services reduction included in the 2005 biennium budget by the legislature. The reduction in this decision package is offset by an increase in general fund equal to the amount of general fund expenditures for these positions that counted toward TANF MOE.

### New Proposals

New Proposals											
-----Fiscal 2006-----						-----Fiscal 2007-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 69 - Tribal TANF Maintenance of Effort											
02	0.00	51,031		0	0	51,031	0.00	51,031	0	0	51,031
DP 144 - Higher TANF Work Participation Rates											
02	0.00	0		0	1,725,000	1,725,000	0.00	0	0	1,725,000	1,725,000
DP 145 - Energy Conservation and Energy Assistance Bien-OTO											
02	0.00	0		0	1,450,000	1,450,000	0.00	0	0	0	0
DP 167 - Food Stamp Outreach											
02	0.00	0		0	10,000	10,000	0.00	0	0	10,000	10,000
DP 708 - Energy Ombudsman											
02	0.00	300,000		0	0	300,000	0.00	300,000	0	0	300,000
DP 709 - Child Care Funding Revision											
02	0.00	2,400,000		0	0	2,400,000	0.00	0	0	0	0
DP 711 - Cash Assistance Benefits - Legislative Priority											
02	0.00	0		0	2,000,000	2,000,000	0.00	0	0	2,000,000	2,000,000
DP 712 - Adult Basic Education Services											
02	0.00	0		0	125,000	125,000	0.00	0	0	125,000	125,000
DP 3005 - Child Care											
02	0.00	300,711	732,601		0	1,033,312	0.00	299,352	731,267	0	1,030,619
DP 3200 - Low Income Energy Assistance OTO											
02	0.00	500,000		0	0	500,000	0.00	500,000	0	0	500,000
Total	0.00	\$3,551,742	\$732,601	\$5,310,000	\$9,594,343	0.00	\$1,150,383	\$731,267	\$3,860,000	\$5,741,650	

**DP 69 - Tribal TANF Maintenance of Effort** - The legislature provided a general fund increase of \$102,062 for the biennium to fund transfers to tribes that have implemented Tribal TANF plans. Funding to support transfers to tribes is offset by general fund that was included in the base budget but is no longer needed for the TANF maintenance of effort due to a decrease in the TANF MOE related to implementation TANF plans by tribes within Montana.

**DP 144 - Higher TANF Work Participation Rates** - The legislature approved \$3.5 million of federal funds for the 2007 biennium to assist the department in meeting the new TANF work participation rates. In December 2003, Montana's waiver that allowed a broadly defined list of activities to count toward work participation expired and was not renewed by the federal government. Because this waiver is no longer available the department believes it will be more costly to place participants into the federally approved work activities, which are more narrowly defined than those in Montana's waiver.

The department anticipates that some individuals will need to be placed in subsidized work experience sites, subsidized employment, or on-the-job training, and that all of these allowable work activities cost more than placing individuals in unsubsidized employment sites.

DP 145 - Energy Conservation and Energy Assistance Bien-OTO - A biennial, one-time-only appropriation of \$1,450,000 federal funds was provided to spend the existing energy conservation and energy assistance account (ECA) funds established in 90-4-215, MCA for low-income energy assistance and low-income home weatherization. This funding may be expended only if the federal low-income energy assistance grant drops below the 1987 funding level.

DP 167 - Food Stamp Outreach - The legislature provided \$20,000 federal funds for the biennium to fund expansion of the Food Stamp Outreach program into Lewis and Clark and Silver Bow counties. This new funding is made available to assist states in achieving increased participation in the Food Stamp Program.

DP 708 - Energy Ombudsman - The legislature provided a restricted one-time-only appropriation of \$300,000 general fund each year of the biennium to support case management staff at Human Resource Development Councils to assist low-income individuals seeking emergency energy assistance.

DP 709 - Child Care Funding Revision - The legislature provided a restricted appropriation of \$2.4 million general fund for FY 2006 and reduced federal TANF funds transferred to child care by a like amount. The legislature specified that the TANF funds made available by this action are to be used to increase the monthly TANF cash assistance benefit level.

DP 711 - Cash Assistance Benefits - Legislative Priority - The legislature added as a restricted appropriation \$2 million federal TANF funding, and specified that \$0.4 million per year of federal TANF funding (included in the base budget) that the executive indicated would support abstinence education, achievement or incentive awards, accelerated employment services or diversionary projects, and after school programs, be used to support cash assistance benefits. It is the legislature's priority that this funding be used to increase the monthly cash assistance benefit level rather than fund these items.

DP 712 - Adult Basic Education Services - The legislature provided \$125,000 per year (\$250,000 for the biennium) in federal TANF funds for adult basic education services by reducing the amount of TANF funds supporting "Higher TANF Work Participation Rates" (DP 144).

DP 3005 - Child Care - The legislature provided \$600,063 general fund and \$1,463,868 state special revenue from the prevention and stabilization fund for child care services. The revenue source for the prevention and stabilization fund is the bed tax on state institutions such as the Montana Developmental Center and the Mental Health Nursing Care Center. The executive indicates that this funding would maintain child care funding at the 2005 biennium level.

DP 3200 - Low Income Energy Assistance OTO - The legislature provided a one-time-only appropriation of \$500,000 general fund for each year of the 2007 biennium for low-income energy and weatherization assistance. The weatherization assistance program targets cost-effective long-term energy conservation measures to those LIEAP households with the highest energy burdens.

### **Language**

The legislature approved the following language for inclusion in HB2:

“Human and Community Services Division includes \$50,000 in state special revenue in fiscal year 2006 and \$50,000 in state special revenue in fiscal year 2007 that are contingent upon passage and approval of House Bill No. 749 and Senate Bill No. 82. If House Bill No. 749 and Senate Bill No. 82 are not passed and approved, general fund money in Human and Community Services Division is increased by \$50,000 in fiscal year 2006 and by \$50,000 in fiscal year 2007.

Federal temporary assistance for needy families (TANF) funds and general fund money supporting TANF maintenance of effort may not be expended for the following purposes:

- (1) abstinence education;
- (2) achievement or incentive awards;
- (3) accelerated employment services or diversionary projects; or
- (4) after school programs.

This restriction has been adopted by the legislature in an effort to make funds available to support an increase in the TANF cash assistance benefit level. It is the priority of the legislature to fund increases in the TANF cash assistance benefit level rather than funding items such as those listed above.

The department shall report at each meeting of the children, families, health, and human services interim committee:

1. the actual amount expended and items supported by TANF block grant money in the current biennium;
2. the actual amount expended and items supported by TANF maintenance of effort funds in the current biennium;
3. the balance of federal TANF block grant funds that remain unexpended;
4. the monthly TANF cash assistance caseload, costs of cash assistance, and the cash assistance benefit level;
5. the projected annual amount to be transferred to child care and Title XX; and
6. the projected TANF block grant ending fund balance for the current and next state fiscal years.

Funding in Energy Ombudsman Services may be used only to fund case management-type staff at human resource development councils whose purpose is to assist low-income customers seeking emergency energy assistance. The department shall provide an annual report to the members of the 2005 legislative joint appropriations subcommittee on health and human services on the successes, failures, and impact that this effort has on assisting low-income families to move toward self-sufficiency in meeting their home heating needs.

Funding in Low Income Energy Assistance OTO includes \$500,000 in general fund money for each year of the biennium to support increases in low-income energy assistance programs.

Funding in Low Income Energy Assistance OTO includes general fund money supporting energy assistance and weatherization. These funds may be used to support the state low-income energy assistance program, the state weatherization program, or tribal energy assistance programs.

Funding in TANF Cash Assistance Increase Benefit Level and TANF Reduce CC Transfer, Fund Cash Assistance may be used only to increase the monthly cash assistance benefit provided to TANF cash assistance recipients, and it is estimated that each \$2.4 million provided in TANF Cash Assistance Increase Benefit Level and TANF Reduce CC Transfer, Fund Cash Assistance is adequate to increase the TANF cash assistance benefit level, for the average family of three on the current caseload, by approximately \$50 a month.

Funding in Adult Basic Education supports provision of adult basic education services designed to meet the specific needs of TANF participants. Priority for funding must be given to the geographic areas that have the highest percentage of their population enrolled in the TANF program.”